

Message Text

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15

ORIGIN OPIC-06

INFO OCT-01 NEA-10 ISO-00 EB-07 COME-00 /024 R

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NEA/IAI:EBIZIC

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R 182211Z JUN 75
FM SECSTATE WASHDC
TO AMEMBASSY TEL AVIV

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E.O. 11652:N/A

TAGS: EFIN

SUBJECT: SAVKEL LTD. - ISRAELI WANKEL ENGINE PROJECT

HOLD FOR OPIC PRESIDENT, MARSHALL T. MAYS

1. OPIC FINANCE DIVISION HAS COMPLETED REVIEW OF APPLICATION MATERIAL FOR SUBJECT PROJECT WHICH INDICATES IT DOES NOT MEET ITS POLICY AND LEGISLATIVE GUIDELINES. FURTHER, PROJECT ANTICIPATES COMPETITION WITH U.S. INDUSTRY SECTOR WHICH PRESENTLY HAS 9.6 PERCENT UNEMPLOYMENT RATE, AND AT LEAST ONE U.S. COMPANY (GM) HAS BEEN LICENSED TO PRODUCE SAME TYPE ENGINES IN U.S. WHILE U.S. EFFECTS ANALYSIS, USING SAVKEL FIGURES, SHOWS A POSITIVE EFFECT, THIS IS BASED ON THE ASSUMPTION THAT SAVKEL WILL IMPORT 90 PERCENT OF PRODUCTION INPUTS FROM U.S. AND WILL SELL ONLY 31.5 PERCENT OF PRODUCTION IN U.S. WE BELIEVE THESE FIGURES ARE NOT REALISTIC AND A SHIFT IN THESE FACTORS WOULD EASILY RESULT IN A NEGATIVE U.S. EFFECT.

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2. PROJECT ALSO INVOLVES OPERATING COMPANY AND PRODUCT WITHOUT "TRACK RECORD". COMPARATIVE ADVANTAGE OF WANKEL ENGINES HAS NOT BEEN FIRMLY ESTABLISHED IN THE MARKET. THESE FACTORS IN COMBINATION WITH PRESENT AND POTENTIAL COMPETITION IN U.S. ARE, TO US, STRONG ARGUMENTS FOR DECLINING ON THIS ONE.

3. OPIC FINANCE HAS PREPARED LETTER TURNING PROJECT DOWN WHICH WILL BE SENT FOLLOWING MAYS' VISIT UNLESS OTHERWISE INSTRUCTED. DECONTROL JUNE 17, 1976. INGERSOLL

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: BUSINESS FIRMS, ENGINES, BANK LOANS
Control Number: n/a
Copy: SINGLE
Draft Date: 18 JUN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
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Document Unique ID: 00
Drafter: F BLBOSTWICK
Enclosure: n/a
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Errors: N/A
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Handling Restrictions: n/a
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ISecure: 1
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Previous Handling Restrictions: n/a
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Review Comment: n/a
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Margaret P. Grafeld
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06 JUL 2006

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TAGS: EFIN, OPIC
To: TEL AVIV
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